

ROLE OF THE BOARD

The role of the Board is to act in the best interests of the Company and to promote the interests of the Company and its stakeholders. For the avoidance of doubt, any aspects that are required by law, includes the regulations of the NZX.

Having regard to its role the Board will direct, monitor and supervise the management of the business and of the affairs of the Company including:

- Ensuring that the Company Purpose and Goals are clearly established, and that appropriate strategies are in place for achieving them (these are to originate in the first instance from management);
- Establishing policies for strengthening the performance of the Company including ensuring that Management is pro-actively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- Monitoring the performance of Management, including the review and monitoring of compliance with delegated authorities, and of regulatory compliance;
- Monitoring strategic, financial, social and environmental performance;
- Appointing the CEO, setting the terms of the CEO's employment contract, including Position Description, reviewing succession planning and where necessary, terminating the CEO's employment with the Company;
- Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- Ensuring that information of sufficient content, quality and timeliness, as the Board considers necessary to enable it to discharge its duties, is provided by management;
- Ensuring that the Company adheres to high standards of ethical and corporate behaviour;
- Ensuring that the Company has appropriate management processes for defining risks and analysing options to minimise, mitigate and manage risks;
- Ensuring an appropriate capital structure such that it supports the business strategy;
- Ensuring that the Company communicates with its shareholders and stakeholders in a timely manner.

In the normal course of events, the day-to-day management of the Company will be in the hands of Management.

The Board will satisfy itself that the Company is achieving the Company Goals.

The Board will ensure that the Company is meeting its continuous disclosure obligations.

THE RELATIONSHIP BETWEEN THE CEO, THE CHAIR AND THE BOARD

Governance

The governance responsibilities of the Board are defined in terms of the 4 pillars of governance:

1. Determination of purpose
2. An effective governance culture
3. Holding to account
4. Effective compliance

While the Board is responsible for the appointment of the CEO, the Board recognizes that it requires the active involvement of the CEO to ensure that it can meet its governance obligations and responsibilities.

Strategy and Tactics

The Board and the CEO are jointly involved in developing & refining strategy (the current strategy paper is considered as a living document). The strategy is reviewed by the Board annually.

The annual strategic review process is iterative – it involves the Board and the CEO agreeing on the strategic direction; the CEO then presents the proposed strategy; the Board and CEO discuss this and the Board approves the strategy; the Board is then responsible for assuring itself that the CEO is executing the agreed strategy.

The Board communicates expectations and defines KPIs to the CEO which include timelines, milestones, and targets.

The Board will support the CEO in the development of tactics (i.e. the how & not just the what of strategy).

The Board may seek outside advice in specific areas but the CEO and the management will be involved in the process.

Responsibility

The CEO is responsible for day-to-day operations of the business.

The Board is available and present as an active thought partner to management, and the CEO is encouraged to meet with individual Directors annually.

The CEO and the Board will work together on key management appointments within the Leadership Team.

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Approved Date: 17th October 2024



Reporting to the Board

The CEO is responsible to the Board and will report to the Chair (in the absence of the Chair, tasks may be delegated to another Director appointed by the Board).

The CEO is responsible for monthly reporting to the Board. In months where there isn't a Board Meeting, CEO and CFO will provide respective updates.

The CEO and the Board both agree to a full disclosure approach with respect to any events or circumstances that could impact on the performance or strategic direction of the company or that would change the Board's understanding of the business.

Scrutiny

Delegations have been defined in the Operations Manual and are reviewed at intervals as required.

The CEO is responsible for meeting the budget and does not require line by line approval for budgetary changes.

The Board engages primarily with the CEO but the Board and individual Directors may engage with some (designated) members of senior management, with full knowledge of the CEO (however the CFO has a defined reporting role to the Board with respect to the financial health of the company). The Chair of the Audit and Risk Committee is expected to meet with the CEO and CFO as required during the year.

The Board operates an Audit and Risk Committee (the Board Chair cannot chair Audit and Risk Committee) which meets formally at defined times through the year. The Committee shall meet with the Auditor at least twice a year. The Committee reviews updates to the Risk Register as recommended by the CEO and recommends changes to the Board for approval. .

The Board operates a People and Performance Committee which meets formally to review remuneration policy for all members of senior management. The Chair of the People and Performance Committee shall engage with the CEO as required to ensure that the Committee operates in an effective manner. The company has adopted a formal Protected Disclosures - Whistleblower policy.

The Chair and the Chair of the People & Performance Committee will formally review the performance of the CEO annually.

THE BOARD RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board will use its best endeavours to familiarise itself with issues of concern to Shareholders.

The Board recognises that the annual meeting is an important forum at which Shareholders can meet with the Board and it encourages shareholders to use the forum to ask questions and make comments on the performance of the Company.

The Board will regularly evaluate economic, political, social and legal issues of concern and all relevant external matters that may influence or impact the development of the Business or the interests of Shareholders and if considered appropriate, will take outside expert advice on these matters.

The Board will use its best endeavours to familiarise itself with issues of concern to relevant stakeholders. The Board recognises that the long-term prosperity of the Company is closely intertwined with the environments and markets within which it operates and the extent to which the company is seen as a responsible corporate citizen.

BOARD PROCEDURES

General Details

The conduct of Directors will be consistent with their duties and responsibilities to the Company. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy.

Directors will always act within any limitations imposed by the Board on its activities.

Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Directors unable to attend a meeting will advise the Chair at the earliest date as possible.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chair will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential, unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements the Board will decide the manner and timing of the publication of its decisions.

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The Board has sole authority over its agenda and exercises this through the Chair. The agenda will be set by the Chair in consultation with the CEO and the Directors.

The Board will normally hold six meetings and will hold additional meetings as the need requires. Board meetings may be in person or by telecommunication, as appropriate. It is expected that at least three of the meetings will be held in person (every second meeting). At each normal meeting, the Company's Interests Register will be updated as necessary and the Board will consider all matters considered relevant but will include regular reporting on operational matters from the CEO and on financial matters from the CFO.

In addition, the Board will, at intervals of not more than one year, carry out the following actions.

Purpose & Strategy

- Review the Company Purpose, Goals, Strategies, and Operating Plans

Governance and CEO

- Review the Board composition, structure and succession;
- Review the performance of, necessity for, and the composition of Board Committees;
- Undertake Board and individual Director evaluations;
- Review Directors' remuneration;
- Review the CEO's performance and remuneration.

Operations

- Review remuneration policies and practices in general including superannuation and incentive schemes for management;
- Review risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements.

Financials

- Approve the annual budget;
- Approve the annual and half-yearly financial statements, and the annual and half-yearly reports and announcements;
- Consider and, if appropriate, declare or recommend the payment of dividends.

Annual Reviews

- Review the Company's audit requirements;
- Review Company Policies;
- Review the Company's code of conduct and ethical standards;
- Review Shareholder, customer and supplier relations;
- Review Board Operations Manual;

- Review donations and sponsorships;
- Agree the following years Board work-plan.

Directors are entitled to have access, at all reasonable times, to all relevant company information.

Directors should undertake appropriate training to remain current on how to best perform their duties.

Directors are expected to strictly observe the use and confidentiality of company information.

In applying policy, the Board will not reach specific decisions unless it has considered the more general principles upon which the policies are founded.

Chair

The Board will appoint, from among the non-executive Directors, a Chair.

The Chair is responsible for representing the Board to the Shareholders.

The Chair is responsible for ensuring the integrity and effectiveness of the governance process of the Board.

The Chair is responsible for maintaining regular dialogue with the CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives any cause for major concern.

The Chair will act as facilitator at meetings of the Board to ensure that appropriate discussion takes place and that relevant opinion is forthcoming. The Chair will ensure that discussions result in logical and understandable outcomes.

Board Committees

Board Committees will be formed only when it is necessary to facilitate more efficient decision-making.

Board Committees will observe the same rules of conduct and procedure as the Board, unless the Board determines otherwise.

Board Committees will only speak or act for the Board when so authorised. The authority conferred on Board Committees will not derogate from the authority delegated to the CEO.

The Board currently has two Committees - the Audit and Risk Committee and the People and Performance Committee. Other Committees may be formed for specific purposes and disbanded as required. The purposes and the membership of the standing Committees are detailed in the Audit and Risk Committee Charter and the People and Performance Committee Charter.

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Board Composition

The composition of the Board will reflect the duties and responsibilities it is to discharge and perform. The Board currently has five Directors. A quorum shall be three Directors, and the CEO and the CFO shall also attend Board meetings. Other members of the management team may be invited to attend as considered appropriate by Directors and the CEO.

Generally, the qualifications for Directors are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to the achievement of the Company's Purpose. At least one member of the Board must have accounting or related financial management expertise.

Non-executive Directors will be active in areas which enable them to relate to the strengths of the Company and to make a meaningful contribution to the Board deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The size of the Board will be such that the common purpose, involvement, participation, harmony, and sense of responsibility of the Directors are not jeopardised, it must be large enough to ensure a range of knowledge, views and experience. .

Subject to any limitations imposed by Shareholders, Directors will hold office for three years following appointment (or, if appointed by the Board between annual meetings, from the date of the meeting next following appointment), subject to any obligation to retire by rotation in accordance with the Company's constitution and the Listing Rules.

Appointment and Induction of new Directors and Training

The Board may appoint a new Director. Annually the Company will call for Director nominations. Election to the Board and/or confirmation of a Board appointment is subject to a shareholder approval at the Annual Shareholder Meeting. Potential Directors are encouraged to carry out "due diligence" on the Company before accepting an appointment to the Board.

On their first appointment, Directors will receive an appointment letter and have the benefit of an induction programme aimed at deepening their understanding of the Company and the business and the environment and markets in which the Company operates. As part of the programme Directors will be provided access to essential Board and Company information and will meet key members of the management team.

Directors are expected to keep themselves abreast of governance issues, changes and trends in the business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally. Where necessary Directors should undertake training as part of their continuing professional development.

Before accepting appointment to the Board, and thereafter as they occur, Directors are required to disclose to the Board all of their business relationships that may have any bearing on the Company.

Board Evaluation

The Board will critically evaluate its own performance, and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role. Board evaluation to be completed as required, at least every two years.

REVIEW

This Charter will be reviewed every two years.